



March 16, 2017

Wireline Competition Bureau, Federal Communications Commission

Request for Comments: Request for Reconsideration Concerning Lifeline Broadband Providers, DA 17-213

EveryoneOn respectfully submits these comments in response to the Wireline Competition Bureau's (WCB) request for public comments on the Request for Reconsideration Concerning Lifeline Broadband Providers (LBPs). EveryoneOn thanks the FCC for providing this opportunity to comment on this Lifeline issue.

About EveryoneOn

EveryoneOn is a national nonprofit creating social and economic opportunity by connecting everyone to the Internet. Since 2012, we have connected more than 400,000 low-income people in 48 states to free and affordable home Internet service, devices, and digital literacy training. We aim to leverage the democratizing power of the Internet to provide opportunity to all people in the United States — using connectivity to create social mobility for all.

Our organization has been able to attain national scale while maintaining impact on a community level due to our three-part approach: 1) working with Internet service providers to create and deploy low-cost offers; 2) creating a best-in-class digital platform, which is best described as a "TurboTax for digital inclusion" that families can use to access affordable Internet service, devices, and digital literacy education; 3) and maintaining a nationwide network of partners across sectors who are working on-the-ground directly in communities. No other organization has brought together such a collection of assets to bridge the digital divide.

Serving as an facilitator between low-income communities and people and Internet service providers, device refurbishers, and digital literacy trainers, we also work with enrollment partners (nonprofits, schools, and other community-based organizations) across the country to better reach eligible populations. Through our digital platform, partner platforms, and relationships with Internet service providers and device refurbishers, we are able to market these affordable home Internet offers and collect data in order to help people adopt the Internet and end the digital divide once and for all.

Executive Summary: Recommendations

To that end, EveryoneOn firmly believes that the FCC should heed the Petitioners' request to reconsider the February 03, 2017 revocation of LBP approval. EveryoneOn recommends the following:

- *Restore Approval:* The FCC should restore approval to the nine formerly-approved LBPs now pending.
- *Reopen Approval Process for New Providers:* The FCC should reopen the approval process to new providers and actively work to make the approval less challenging, thus promoting transparency, competition, and diversity in providers.
- *Support Open Market Competition for Lifeline Broadband Internet Access Service (BIAS) Recipients:* The FCC should foster consumer choice by encouraging providers to become LBPs in two ways:
 - Removing barriers to application and approval
 - Recruiting provider applications

Of Chairman Pai's seven reasons for revocation, the main foci were that revocation wouldn't affect any Lifeline beneficiaries in practice and that revocation was necessary to protect the program from waste, fraud, and abuse.¹ In reality, both are untrue.

While the program's most capable actors – providers like Boomerang; Kajeet; SpotOn Networks, LLC; FreedomPop; KonaTel, Inc.; Applied Research Designs, Inc.; Liberty Cable Vision of Puerto Rico, LLC; Wabash Independent Networks, Inc.; Northland Cable Television, Inc. – remain "pending," 40 million people potentially eligible for Lifeline BIAS remain in limbo and without the transformative power of the Internet.

Comments

Bias against BIAS: Affected Providers' Revocation Hinders Lifeline Modernization's Imperative Commitment to BIAS

It is true that a large percentage of providers in the Lifeline program were unaffected by the FCC's approval revocation, but it is also true that these unaffected providers largely provide Lifeline phone service, not Lifeline Broadband Internet Access Service (BIAS). Focusing on this technicality - that 900 Lifeline providers were unaffected - is not true to the mission of Lifeline Modernization, namely to provide the telecommunications technology critical today: the Internet. In its opening paragraphs, the 2016 Modernization Order declares that "the Lifeline program must keep pace with this technological evolution to fulfill its core mission," as the Internet is "a prerequisite to full and meaningful

¹<https://medium.com/@AjitPaiFCC/setting-the-record-straight-on-the-digital-divide-615a9da1f2d1#.odeqn9wat>

participation in society.”² By structure of the Order, support for Lifeline voice service will incrementally decrease until cessation in 2021. The FCC must consider that these 900 providers will need to be predominantly BIAS providers by this future point, and the system for provider approvals should be open and in action long before this time to build capacity for Lifeline BIAS, to serve as a demonstration, and to refine best practices.

Not Nationwide: Affected Providers Reduce Lifeline BIAS Availability to Few States

Chairman Pai’s seven-point defense of revoking approval was predicated on the understanding that revocation would only change process, not affect Lifeline beneficiaries. This is a false assumption, as evidenced by the resultant lack of broadband options in each state eligible for the Lifeline subsidy. The nine formerly-approved providers had an aggregated footprint of all 50 states, Washington, D.C., Puerto Rico, and the US Virgin Islands. This reach was clearly demonstrated in their petitions, available in a centralized location on the FCC website. With these approvals, there was a baseline for Lifeline BIAS in each state. Revocation removes this baseline and rolls back progress in making affordable Internet available across the nation. Additionally, these providers’ petitions were initially approved, demonstrating the validity of their offers. Their approvals were not revoked because the Lifeline BIAS offers or providers were individually inadequate or wanting, but rather because of manufactured worries about the program. We must move past this invented obstacle, as it prevents millions of eligible people in the United States from harnessing the myriad opportunities Internet connectivity brings.

Provider Application Proofpoints: Affected Providers Establishing Process and Competitive Marketplace

These nine providers were performing two critical tasks for the Lifeline program: 1) they were paving the way through the approval process for other providers, and 2) they were establishing a competitive Lifeline marketplace that would continue to become increasingly so. As Gigi Sohn argued, this rollback of approval makes the Lifeline program less competitive.³ Consumers receiving the Lifeline benefit should have consumer choice: if so few companies are approved to provide Lifeline BIAS, Lifeline-eligible consumers face an artificial monopoly. Those who can least afford to pay for Internet service will be forced to pay higher prices than would be necessary in a competitive market. This too is inherently antithetical to the mission of the Lifeline program and its Modernization.

Additionally, there is a strong barrier to entry for providers. The current process is laborious and deliberately challenging; instead of curbing waste, fraud, and abuse, this safeguard challenges smaller providers without the capabilities to hire large legal teams

² Lifeline Modernization Order (2016), https://apps.fcc.gov/edocs_public/attachmatch/FCC-16-38A1.pdf.

³ <https://www.benton.org/blog/Defending-the-Indefensible>

as they attempt to file their LBP petitions. EveryoneOn has been contacted by three potential LBPs, including municipal broadband providers, for assistance in the petition process. The approval process must remain open and transparent, such that approved LBPs and their applications can serve as proofpoints for other providers, particularly smaller, less-resourced companies. In doing so, the existing approved providers continue to help make the marketplace more competitive.

Waste, Fraud, and Abuse: A Sensationalized Problem

All of us can agree that reducing waste, fraud, and abuse in any government program is critical to the success of the initiative and to public confidence in public sector endeavors. However, the actions taken by the FCC in rescinding the approvals of the aforementioned LBPs have no link to making the program more secure, and reports of Lifeline waste, fraud, and abuse have been proven to be overstated.⁴ These actions merely ensure that millions of people who need broadband service will not receive it. If the FCC is serious about curbing waste, fraud, and abuse, they could do any of the following:

- Allocate additional funds to USAC to speed up the timetable for the rollout of the third party verifier
- Contract with another third party provider to perform eligibility verification until the National Verifier is ready
- Conduct audits of current LBPs to ensure fidelity to the eligibility process

These are actions that would increase the fidelity of the program and ensure that it fulfills its mission to bridge the digital divide for millions of families in the United States.

Conclusion

The revocation of LBP approval has negative effects on the Lifeline program and more importantly, on its beneficiaries. Revocation:

- Hinders Lifeline Modernization's commitment to BIAS,
- Reduces Lifeline BIAS availability in many states, and
- Negatively affects the pioneer providers ironing out the petition process and establishing a competitive marketplace

EveryoneOn recommends that the FCC take steps to:

- Restore LBP approval to the nine affected providers

⁴[https://democrats-energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/Lifeline%20Oversight%20Report%20\(7.12.2016\).pdf](https://democrats-energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/Lifeline%20Oversight%20Report%20(7.12.2016).pdf)

- Reopen the approval process, with clear indication that petitions in the pipeline will be seen and approved within the established timelines
- Increase transparency surrounding LBP designation for providers and consumers alike
 - Publicize applicants' standing at each step of the process
 - Publish the specifications of the provider's offer
 - Clarify the application process for municipalities and municipally-owned broadband providers
- Actively recruit BIAS providers to participate in the Lifeline program
- Deliver on the mission of Lifeline Modernization to bring reliable and modern Internet service to eligible consumers

Through EveryoneOn's work with ConnectHome, we've seen firsthand the need for and power of Internet in public housing. New York City, a city with an immense digital divide, faces highly limited access to affordable high-speed Internet offers. With the original LBP approvals, SpotOn Network was approved to provide Internet to public housing in New York City Housing Authority's (NYCHA) Queensbridge development.⁵ This step was a game-changer for families in New York whose kids could now do their homework and whose relatives could now apply for jobs. EveryoneOn supports actions that remove barriers to connectivity and promote access to all forms of Internet services provisions. Lifeline is a major tool in the digital inclusion toolbox to tackle the affordability problem, which is the most significant contributor to the digital divide.

We implore the WCB and FCC to correct the course: reapprove the nine LBPs – Boomerang; Kajeet; SpotOn Networks, LLC; FreedomPop; KonaTel, Inc.; Applied Research Designs, Inc.; Liberty Cable Vision of Puerto Rico, LLC; Wabash Independent Networks, Inc.; Northland Cable Television, Inc. – and deliver on the mission of Lifeline Modernization by making Lifeline BIAS competitive and accessible immediately.

Respectfully submitted,



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EveryoneOn

⁵ <https://www.wired.com/2016/11/bringing-internet-to-new-york-public-housing/>